

HOUSE BILL No. 1374

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1; IC 34-11-2-13.

Synopsis: Property and casualty policy amendments. Requires a property and casualty insurer to provide notice to the policyholder of a proposed policy amendment by rider or endorsement and to maintain the coverage of the policy without change until the insured accepts or declines the amended coverage in writing. Provides that a policyholder claim for coverage under a policy of property and casualty insurance must be filed within two years after the event from which the claim arises. Requires an insurance producer to notify a customer of each rider or endorsement that may apply to a proposed property and casualty insurance policy. Specifies that a civil claim for bad faith claim settlement must be commenced within two years after the cause of action accrues.

Effective: July 1, 2007.

Stevenson

January 16, 2007, read first time and referred to Committee on Insurance.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1374

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-1-13-16 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2007]: **Sec. 16. (a) As used in this section, "property and casualty**
4 **insurance" means one (1) or more of the kinds of insurance**
5 **described in Class 2 or Class 3 of IC 27-1-5-1.**

6 **(b) An insurer that issued a policy of property and casualty**
7 **insurance and proposes to amend the coverage provided by the**
8 **policy through a rider or an endorsement must:**

9 **(1) notify the policyholder and specifically describe the**
10 **proposed amendment in a separate document;**

11 **(2) present the policyholder a bill for the coverage contained**
12 **in the proposed rider or endorsement separate from the bill**
13 **for the policy; and**

14 **(3) maintain the coverage of the policy without amendment**
15 **until the policyholder provides written notice of the**
16 **policyholder's decision whether to accept or decline the**
17 **proposed amendment.**



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1 If the policyholder accepts in writing the amendment of the policy's
 2 coverage through a rider or endorsement, the policy is amended
 3 through the rider or endorsement. If the policyholder declines the
 4 amendment in writing, the policy is not amended.

5 SECTION 2. IC 27-1-13-17 IS ADDED TO THE INDIANA CODE
 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2007]: Sec. 17. (a) As used in this section, "property and casualty
 8 insurance" means one (1) or more of the kinds of insurance
 9 described in Class 2 or Class 3 of IC 27-1-5-1.

10 (b) A policyholder claim for coverage under a policy of property
 11 and casualty insurance must be filed within two (2) years after the
 12 occurrence of the event from which the claim arises.

13 SECTION 3. IC 27-1-15.6-35 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2007]: Sec. 35. An insurance producer shall:

- 16 (1) notify a customer of each rider or endorsement that may
 17 apply to a policy of property and casualty insurance; and
 18 (2) receive from the customer a document specifying in
 19 writing whether the customer accepts or declines each rider
 20 and endorsement;

21 before the customer agrees to purchase coverage under the policy.

22 SECTION 4. IC 34-11-2-13 IS ADDED TO THE INDIANA CODE
 23 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 24 1, 2007]: Sec. 13. (a) As used in this section, "property and casualty
 25 insurance" means one (1) or more of the kinds of insurance
 26 described in Class 2 or Class 3 of IC 27-1-5-1.

27 (b) An action by the policyholder of a policy of property and
 28 casualty insurance against the insurer for insurer bad faith in
 29 settling a claim for coverage under the policy must be commenced
 30 within two (2) years after the cause of action accrues.

31 SECTION 5. [EFFECTIVE JULY 1, 2007] (a) IC 27-1-13-17, as
 32 added by this act, applies to a claim that arises after June 30, 2007.

33 (b) IC 34-11-2-13, as added by this act, applies to a cause of
 34 action that accrues after June 30, 2007.

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